

## COMMISSION MEETING MINUTES

September 20, 2006

### COMMISSION MEMBERS PRESENT:

Thomas Borne  
Andre Gammage  
Shane Hageman  
Mike Kennedy  
Katherine Startin

### COMMISSION MEMBERS ABSENT:

None

Chairman Kennedy called the meeting to order at 1:10 p.m. The meeting was held in the ISTA Center, Second Floor Conference Center, 150 W. Market Street, Indianapolis, Indiana.

Secretary Katherine Startin announced that a quorum of the Commission members were in attendance. A motion was made and unanimously approved to accept the minutes of the Commission meeting of March 8, 2006.

The Chairman announced the next order of business would be the election of officers. The Chairman asked for nominations for Chairman, Vice Chairman then Secretary. Katherine Startin nominated Mr. Kennedy to continue as Chairman; the motion was seconded. The Chairman asked for nominations for Vice Chairman. Mr. Gammage nominated Katherine Startin to be Vice Chairman and Mr. Kennedy seconded the motion. Mr. Kennedy then nominated Tom Borne as Secretary which was seconded by Mr. Gammage. Hearing no other nominations, a motion was made and seconded to vote on the nominations. A vote was taken and the motion, R-9.2006.1 (see attached), carried unanimously.

The Chairman asked the board to move the vote on the 2007 Meeting Calendar to the end of the meeting under second list of Action Items. There were no objections.

Chairman called on Dennis Obergfell to give the first information item under the agency activities update. Mr. Obergfell spoke about PROBE (Program Results: an Outcome-Based Evaluation). He referred to the February 17, 2006 memo from Charles Schalliol, Director, Office of Management and Budget that the project scope was to review the budget and functions of all state agencies and instrumentalities. Mr. Obergfell said the results of this project will be incorporated in the executive budget development process for the 2007-09 biennium and considered in the alignment of resources with program activities. He stated that PROBE results will be published sometime in November and given to the Governor's Office.

Mr. Obergfell then spoke about events that occurred over the summer, particularly with respect to adjustments that were made between the time SSACI provided schools with an estimate of what they would be for the 2006-07 AY (March 31) and the time SSACI set the maximum award levels (May 22). As background he recited some of the award methodology changes that were made by Congress via the Higher Education Reconciliation Act and their real-life consequences some of which were not fully realized until May. He also said that key members of the Indiana General Assembly along with the Governor's office told staff that there was little chance that the agency would receive funding for the upcoming biennium to fund awards at the March 31<sup>st</sup> levels and thus requested that SSACI lower its initial estimates so as to assure that for the 2007-08 and 2008-09 academic years students would at least receive the amounts received for the 2006-07 academic year.

Mr. Obergfell stated that although award amounts were lower from the initial estimates the maximum awards were 10% higher than they were for last year. He also said that staff has since met with institutions regarding how awards decisions would be made in subsequent years. He said that schools want SSACI to consider the possibility of holding two meetings in March with a promise to make unalterable awards to students by March 30. Mr. Obergfell said that this would be difficult to do in light of two significant things: the first being that next March will be in the middle of a budget year and thus SSACI won't know what its appropriation will be until the end of April; and 2) SSACI's FAFSA filing deadline doesn't end until March 10, 2007.

Mr. Obergfell spoke about the July 28, 2006 SSACI presentation to the State Budget Committee and gave members his handout. He noted that he also gave a presentation to the Interim Study Committee about the Child of Disabled Veterans and Public Safety Officers Fee Remission Programs where he was asked, since SSACI pays 100% tuition and fees for children of disabled veterans, no matter the percent of the veteran's disability, how a veteran can be discharged with a zero percent.

Mr. Obergfell referred to the Department of Veterans Affairs Fact Sheet stating how someone could qualify for a zero percent disability and read the following: It says "A veteran may be rated at zero percent, meaning there is evidence of the service-connected condition, but it does not impair the veteran. An example is a minor scar. This zero percent rating, though not compensable, can be beneficial, since it may raise the veteran's priority in other VA programs such as health care eligibility. In addition, it may be reviewed for a higher rating if the condition worsens." Mr. Obergfell that he's heard nothing about the Interim Study Committee's findings.

Finally, Mr. Obergfell said that he met with the Commission for Higher Education and institutional governmental relations liaisons about future grant award decisions and the process itself. He said that all agreed that SSACI award decisions should be transparent and made as early as possible. Chairman Kennedy stated we should work together and benefit the students.

The Chairman asked Nick Vesper to brief the Commission on the 2005-06 Activity and Program Report. Mr. Vesper addressed some of the details of the report, which included an overview/breakdown of SSACI programs and activity.

The Chairman asked Casey Graves to report on the high school counselor workshops. Mrs. Graves said that she will be representing SSACI and conducting the SSACI/ISFAA high school counselor workshops beginning with the fall of 2006. She said the workshops will be held at ten statewide locations starting Monday, October 2, 2006.

The Chairman asked Yvonne Heflin to summarize the work of the Special Programs Division. Ms. Heflin delivered the attached report.

Chairman Michael Kennedy called on Seana Murphy to give the Twenty-first Century Scholars report. Ms. Murphy said the restructuring of the Twenty-first Century Scholars Program concluded with the consolidation of three support sites into one, reduction of program staff across the state, the capping of insurance benefits, and the reallocation of funds to Southeast Indiana.

She stated the negative impact on student recruitment appeared to be minimal since the program enrolled only 135 less students than the previous program year.

Ms. Murphy said the positive impact of the changes were:

- Increased collaborations with colleges and universities (Purdue offered special rates for scholar participants in summer residential experiences, Vincennes University offered residential experience for students at reduced rates etc).
- Improved municipal government collaborations in the cities of Fort Wayne, Evansville, Lafayette, and West Lafayette designed to increase community awareness, enrollment, affirmation, and FAFSA rates.
- Strengthened partnerships with community foundations. (Putnam County Community Foundation working with Terre Haute support site providing incentives for achievement through offering computers-CTEP program. The foundation also sponsors activities to increase enrollment across eligible Putnam County Schools.

Ms. Murphy noted that Lumina Foundation Scholar Retention grants are opportunities for colleges/universities to develop data driven programs to improve the retention and graduation rates of college level Twenty-first Century Scholars. She said the program will serve as one of several partners with the Lumina Foundation's "Know How to Go" campaign which is a national campaign created to direct students to resources and assistance needed to access higher education. Ms. Murphy commented that the Central Office and regional support sites will work to promote the "Know How to Go" message and ensure Scholar Parent participation in workshops dealing with issues affecting the target population and college access.

Finally, Ms. Murphy said that there are currently 11,000 Twenty-first Century Scholar high school seniors, that the program is expected to affirm 7,150 students, and that the program further expects that approximately 5,000 of those affirmed will meet scholarship requirements. She concluded by saying that the continued growth in the number of students completing the program and filing for the award may necessitate additional funding in the scholarship component of the Twenty-first Century Scholars Program's budget.

Chairman Kennedy called on Dennis Obergfell to discuss the context of financial aid in Indiana on "Student Loan Debt" and "Measuring Up - A State Report Card on Higher Education." He said the Report Card graded states in six overall performance categories:

**Preparation:** How adequately does the state prepare students for education and training beyond high school?

**Participation:** Do state residents have sufficient opportunities to enroll in education and training beyond high school?

**Affordability:** How affordable is higher education for students and their families?

**Completion:** Do students make progress toward and complete their certificates or degrees in a timely manner?

**Benefits:** What benefits does the state receive from having a highly educated population?

**Learning:** What is known about student learning as a result of education and training beyond high school?

He stated that the Report Card indicated that Indiana underperformed in educating its young population and that this could limit the state's access to a competitive workforce and weaken its economy over time. The Report Card said since the early 1990s, the state has fallen behind in graduating 9<sup>th</sup> graders from high school in four years but of those students who do graduate, more are now enrolling in college directly after high school. The Report Card said Indiana trails other states in providing college-level training opportunities for working-age adults and that since the early 1990's, four-year public colleges and universities in Indiana have become less affordable for students and their families. If the state's downward trends are not addressed, the Report Card said they could undermine its ability to compete successfully in a global economy.

Mr. Obergfell mentioned that among 18-to 24-year-olds, the Report Card said a large gap remains between whites and non-whites in college participation, even though Indiana has narrowed this gap over the past 12 years. In addition, Report Card mentioned a substantial gap remains between whites and blacks in the proportion of students completing certificates and degrees relative to the number enrolled, even though Indiana has narrowed this gap over the past decade; a substantial gap remains between whites and non-whites in the percentage who have a bachelor's degree, despite improvement on this measure over the past 12 years.

The Report Card noted that a small proportion of working-age adults enroll part-time in college-level education or training and that Indiana's investment in need-based financial aid is only fair. It said that compared with other states, a small proportion of Indiana residents have a bachelor's degree, and this weakens the state economy. However, it said that the state has improved markedly on this measure over the past 12 years. In "Preparation" Indiana got a C. In "Participation" compared with other states the chance of Indiana high school students enrolling in college by age 19 is fairly high even though the proportion of students who graduate from high school within four years is small and a small proportion of working-age adults (ages 25 to 49) are enrolled part-time in college-level education or training. In "Affordability" Indiana got an F, however the Report Card stated that over the past decade, the state has increased its commitment to financially needy students, nonetheless, the share of family income, even after financial aid, needed to pay for college is large when compared with other states and those funds generally come from loans. Indiana ranked tenth in the highest average student debt in the 2005 graduating class. "Completion" rates was graded as a B+; The Report stated that if all ethnic groups had the same educational attainment and earnings as whites, total personal income in the state would be about \$959 million higher.

Chairman Kennedy asked Mr. Obergfell to talk about the Frank O'Bannon Grant's statutory Ten-Year Rule. Mr. Obergfell said that a student has 10 years to apply for up to four years of Frank O'Bannon grant aid and that the 10-year period begins with the date the student first applied and received state aid. Mr. Obergfell stated that the rule was originally enacted in the early 1980s to encourage students to finish college quickly, but that its unintended consequence is that it is preventing thousands of adults, particularly women, from getting the financial help they need when needed to further education to accommodate career transitions required due to layoffs and the like. Mr. Obergfell asked the Commission to consider endorsing a resolution that would support adult learning by changing the law to eliminate the 10-year rule.

Chairman Kennedy asked Shane Hagemen to read R-9.2006.2 (see attached) recommendation on statutory Ten-Year Rule asking the legislature to reconsider this limitation. Andre Gammage moved to approve R-9.2006.2. It was seconded by Mrs. Katherine Startin and unanimously approved.

Chairman Kennedy called on Nick Vesper to present SSACI's Budget Request for 2008-09. Mr. Vesper gave a detailed slide presentation on SSACI's tentative budget or options for a budget.

Chairman Kennedy proposed a resolution recommending that the Commission support the current award formulas as part of the budget bill for this biennium but that staff explores alternative award formulas for the 2009-2011 biennium budget cycle. Andre Gammage supported the Chair's suggestion and read a proposal (R-9.2006.3 - see attached). Katherine Startin moved to approve R-9.2006.3. It was seconded and unanimously approved.

Katherine Startin offered and read R-9.2006.4 (see attached) regarding SSACI's Budget Request for 2008-2009: assumptions and options. Andre Gammage moved to approve R-9.2006.4. It was seconded and unanimously approved.

Chairman Kennedy said the last action item would be to establish the 2007 Commission meeting calendar. Katherine Startin proposed the following meeting dates R-9.2006.5 (see attached). Shane Hagemen moved to approve R-9.2006.5. It was seconded by Andre Gammage and unanimously approved.

Wednesday, January 10

Wednesday, March 14

Friday, March 30 (tentative)

Wednesday, May 9

Wednesday, July 11

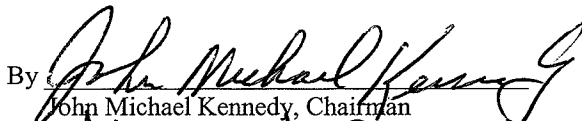
Wednesday, September 12

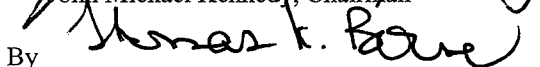
Wednesday, November 14

A sign-in sheet was requested by Chair.

With no further business, a motion was made to adjourn the meeting. The motion was seconded and carried unanimously.

State Student Assistance Commission of Indiana

By   
John Michael Kennedy, Chairman

By   
Thomas K. Borne, Secretary